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# FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

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## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

April 6, 2000

### ATLANTA WORKSHOP CONSIDERS KEY RTO ISSUES

Some 300 participants packed a Federal Energy Regulatory Commission workshop in Atlanta, Georgia, today to discuss Regional Transmission Organizations (RTOs) in the southeastern region of the country.

Unlike other regions where transmission entities have evolved from existing tight power pools or by virtue of a state mandate, RTO formation in the Southeast appears to be driven more by the marketplace and business decisions by transmission owners.

In early sessions, a proposal for a Florida peninsular transco—a for-profit transmission company—was outlined. Florida panelists offered support for the collaborative process that is taking place and identified some areas for further discussion. These include independence, tariff and rate design, handling of new transmission investment and congestion management.

Workshop facilitator Shelton M. Cannon, Deputy Director of the Commission's Office of Markets, Tariffs and Rates, said: "A great deal is going on in the Southeast—much of it behind the scenes—and with a focus on for-profit RTOs. It is apparent that a lot of hard work has already been accomplished and that a lot more remains to be done."

In addition to the Florida proposal, panelists were also told about a proposal for a binary transco that would consist of an umbrella RTO organization with regional transco structures underneath.

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In December 1999, the Commission adopted Order No. 2000, its historic policy designed to further competition and bring lower prices to electric utility consumers through the voluntary development by transmission owners of RTOs. RTOs work to prevent the abuses of market power which hinder competition.

At that time, the Commission said it would undertake a collaborative process, of which the Atlanta workshop is a part. Commission staff are fully engaged with transmission owners, public and non-public utilities, as well as state officials and affected interest groups, in working toward the voluntary development of RTOs.

To accommodate the issues and concerns of the parties in each region, a unique agenda has been developed for each workshop. Each workshop has had a clear regional flavor.

In Order No. 2000, the Commission made clear that it was not favoring one form of RTO over another and would encourage flexibility in RTO formation. In addition, the Commission withheld judgment about whether existing Independent System Operators (ISOs) qualify as RTOs under the rule.

The Commission held its first regional workshop March 1 and 2 in Cincinnati. A second workshop was held in Philadelphia on March 15 and 16 and a third was held in Las Vegas March 23 and 24. A fourth took place in Kansas City, Missouri, March 29 and 30.

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